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PRESS RELEASE

Glenn T. Suddaby, United States Attorney for the Northern District of New York, John F. Pikus, Special Agent in Charge of the Albany Division of the Federal Bureau of Investigation, and Anne Marie Coons, Special Agent in Charge of the Buffalo Field Office of the Internal Revenue Service, Criminal Investigation Division, announced that Anthony J. Andersen and his wife, Laura Andersen, both of Florence, Massachusetts, pled guilty today before Senior United States District Judge Thomas J. McAvoy in Albany to felony charges in connection with their roles in a 2001-02 mortgage fraud scheme.

Defendant Anthony J. Andersen, age 53, pled guilty to submitting false statements to a federally insured financial institution for the purpose of influencing its action on loan applications, in violation of Title 18, United States Code, Sections 1014 and 2, and to money laundering involving causing monetary transactions over \$10,000 to be conducted in funds derived from such specified unlawful activity, in violation of Title 18, United States Code, Sections 1957 and 2. He admitted that he was the organizer or leader of the scheme, in which he recruited others, identified in the superseding indictment as "straw borrowers," to allow him to use their names and identifying information to apply for and obtain loans from Union Planters Bank, National Association ("UPB"),

purportedly for the purpose of refinancing real properties that were owned and/or controlled by him. He admitted that, as part of this scheme, he submitted applications and related documentation to UPB in the names of the straw borrowers, which submissions concealed Andersen's true interest in the properties and contained materially false information, including false information regarding the background and qualifications of the borrowers, and false lease agreements and other supporting documentation. He further admitted that, through the scheme, he caused to be directed to him, and to others at his direction, a substantial portion of the proceeds of the loans, in amounts well in excess of that to which he would have been entitled as a legitimate mortgage broker, and contrary to the disposition of the loan proceeds reported to UPB on the closing documents.

Defendant Anthony J. Andersen admitted that the specific property identified in the Section 1014 charge to which he pled was part of the same course of conduct and common scheme and plan as all of the loans identified in the superseding indictment. As to that specific loan, and illustrative of the operation of the scheme in general, he admitted as follows:

The defendant submitted and caused to be submitted to UPB a loan application and supporting documentation in the name of another person (referred to as "PW") for a \$190,000 loan for 555-557 2d Avenue, Troy, New York, that contained materially false and fraudulent representations as to the identity of the borrower, the borrower's qualifications, the value and profitability of the properties, and the intended distribution of the loan proceeds. Some of these documents bear signatures in the name of the borrower, PW, that were forged by or at the direction of defendant Andersen. On or about August 22, 2001, defendant Anthony J. Andersen caused the deed for 555-557 2d Avenue, Troy, New York, to be transferred from one of Andersen's companies, 1st Street Troy Realty Corp., into the name of PW. Thereafter, on or about September 17, 2001, defendant Anthony J. Andersen and PW met at the office of the closing attorney in Latham, New

York, for the closing on the loan, the proceeds of which were wired in interstate commerce from UPB to the bank account of the closing attorney in the State and Northern District of New York. PW executed documents as directed by Andersen and the closing attorney and, on or about September 25, 2001, Andersen caused a payment in the approximate amount of \$1,344 to be made to PW for allowing Andersen to use his/her name and identifying information to obtain the loan on 555-557 2d Avenue. The deed to the property was transferred back out of PW's name to another of Andersen's companies, Troy Realty Equity Corp., on or about November 7, 2001.

The mortgage amount for the loan obtained in PW's name for 555-557 2d Avenue was \$190,000, even though the bank's subsequent investigation revealed that the property was only worth between about \$40,000 and \$75,000. The bank reports that it received approximately \$6,225.00 in what the government believes were lulling payments from defendant Andersen and/or Troy Realty Equity Corp. during 2001 and 2002, and that it has suffered a loss of approximately \$189,802.93, excluding interest and penalties on that one loan. A few months after the closing on the loan, PW began to get telephone calls from UPB regarding the lack of mortgage payments, and he/she told them in substance that Andersen was supposed to be responsible for the payments. It was then that PW learned for the first time that he/she was the sole person listed as responsible for the payments on the loan documents. Subsequently, PW reported the situation to various governmental agencies.

With regard to the money laundering charge to which he pled guilty today, defendant Anthony J. Andersen admitted as follows:

The \$150,000 loan for 3 Diack Place, Troy, New York, was obtained from UPB on or about August 6, 2002, by means of similar materially false statements made and caused to be made by defendant Anthony J. Andersen regarding the identity of the borrower, the borrower's qualifications, the value and profitability of the property, and the intended distribution of the loan proceeds.

Thereafter, on or about August 10, 2001, in Albany County, in the State and Northern District of New York, and elsewhere, defendant Anthony J. Andersen, knowing that the proceeds from the loan had been obtained by means of such false statements, caused approximately \$141,402.18 from the loan proceeds to be transferred by wire from the closing attorney's bank account at HSBC in the Northern District of New York, to defendant Andersen's bank account at Fleet Bank in the State of Massachusetts.

Defendant Anthony J. Andersen's wife, Laura Andersen, age 49, also pled guilty today to one count of making false statements to law enforcement in violation of Title 18, United States Code, Sections 1001(a) and 2, in connection with her participation in her husband's scheme. Specifically, she admitted that, on or about February 14, 2006, in an interview conducted by Special Agents of the Federal Bureau of Investigation and the Criminal Investigation Division of the Internal Revenue Service, U.S. Department of Treasury relating to an investigation then being conducted by said law enforcement agencies under the direction of the United States Attorney's Office for the Northern District of New York, she falsely and fraudulently stated in substance, among other things, that she had never signed any type of mortgage-related paperwork on behalf of anyone else, including rental or lease agreements, Department of Housing and Urban Development forms, or any other required paperwork, and that her husband, co-defendant Anthony J. Andersen, had never requested her to forge signatures or to falsely complete any part of any mortgage application package. Information uncovered during the course of the investigation indicated that defendant Laura Andersen had, in fact, signed the names of others on such paperwork. On or about December 15, 2006, handwriting exemplars were obtained from the defendant pursuant to a grand jury subpoena, and expert comparison of these exemplars with the questioned documents in the case confirmed that the

defendant had, in fact, signed the names of others on numerous such documents, contrary to her statements to law enforcement.

The charges to which Anthony J. Andersen pled guilty today carry a combined maximum sentence of up to forty years imprisonment, a fine of \$1.25 million or twice the gain to the defendant or loss to the victim, or both, a period of up to five years supervised release to follow any term of incarceration, and mandatory restitution to the bank for the total loss resulting from his scheme in an exact amount to be determined, which was estimated by the government today at approximately \$1.4M. Under the government's preliminary calculations of the advisory sentencing guidelines set forth in Court today, he is facing a likely guidelines imprisonment range from 41 to 71 months in prison. Defendant Laura Andersen faces a statutory maximum sentence of up to five years imprisonment, a \$250,000 fine, or both, a period of up to three years supervised release to follow any term of incarceration, as well as being liable for restitution for the loss resulting from the scheme. Under the government's preliminary calculations of the advisory sentencing guidelines set forth in Court today, she is facing a range of zero to six months in prison. The defendants' sentencings were set for Monday, February 11, 2008, at 1:30 p.m. and 2:00 p.m., respectively, in Albany, New York.

The case is being investigated by the Albany Division of the Federal Bureau of Investigation and the Albany Office, Buffalo Field Office, of the Internal Revenue Service, Criminal Investigation Division. It is being prosecuted by the United States Attorney's Office for the Northern District of New York.

The information contained in this Press Release was derived exclusively from the public record.

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